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ACTION EAP-00

INFO	LOG-00	NP-00	AID-00	AIT-00	USNW-00	CEA-01	CIAE-00
	COME-00	CTME-00	INL-00	DOT-00	PERC-00	DS-00	EB-00
	EXIM-01	OIGO-00	E-00	FAAE-00	FBIE-00	VC-00	FRB-00
	H-00	TEDE-00	INR-00	IO-00	ITC-01	LAB-01	L-00
	CAC-00	VCE-00	AC-00	DCP-00	NRC-00	NSAE-00	OES-00
	OMB-00	NIMA-00	PA-00	PM-00	GIWI-00	ACE-00	SGAC-00
	FMPC-00	SP-00	IRM-00	SSO-00	SS-00	STR-00	TRSE-00
	EVR-00	BBG-00	R-00	EPAE-00	IIP-00	SCRS-00	PMB-00
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FM AMEMBASSY HANOI
TO SECSTATE WASHDC IMMEDIATE 8000
NSC WASHDC IMMEDIATE
INFO ASEAN REGIONAL FORUM COLLECTIVE PRIORITY
AIT TAIPEI PRIORITY 1106
CDR USPACOM HONOLULU HI PRIORITY
SECDEF WASHDC PRIORITY

C O N F I D E N T I A L HANOI 001394

SIPDIS

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TAGS: [PREL](#) [PHUM](#) [KIRF](#) [PREF](#) [ETRD](#) [VM](#) [PROV](#)
SUBJECT: SCENESETTER FOR THE PRIME MINISTER'S VISIT

Classified By: Ambassador Michael W. Marine per 1.4 (b), (d)

1. (C) Prime Minister Phan Van Khai's visit to the United States will be the first by a Vietnamese Prime Minister since 1975, and will take place in the tenth anniversary year of the normalization of bilateral relations. This historic occasion will give us the opportunity to highlight a growing and increasingly fruitful relationship while underscoring that our two countries' shared history, while not forgotten, is no longer an obstacle to the development of bilateral ties. At the same, we will be able to note at the highest level our remaining concerns about a number of issues, such as human rights, religious freedom and ethnic minorities. Although the Prime Minister will be chary to engage on these topics) he will want his discussions to be positive and future-oriented) the Vietnamese nonetheless recognize that these are important issues to us.

2. (C) We should use the visit to:

-- highlight our increasingly overlapping national interests and move toward expanding our bilateral dialogue on a number of global and regional issues of mutual concern;

-- express U.S. support for Vietnam's continued regional and international integration, including WTO accession and hosting APEC 2006;

-- make clear that success in Vietnam's efforts to stamp out corruption, increase transparency, guarantee intellectual property rights and promote rule of law is the best way to attract U.S. investment;

-- welcome recent progress related to the issues of religious freedom, human rights and ethnic minorities, but caution that a slow-down or reversal of advances in these areas will negatively impact bilateral relations;

-- highlight the critical importance of our joint efforts to combat HIV/AIDS and to prevent or respond to an Avian Influenza (AI) pandemic;

-- thank the GVN for cooperation in Fullest Possible Accounting, including its recent commitment to allow access to the Central Highlands for survey and recovery operations.

What the Visit Means for Vietnam

3. (C) Our Vietnamese interlocutors have told us that the visit will be a milestone in the bilateral relationship akin to the normalization of relations ten years ago. Indeed, the Prime Minister's delegation, which will include one Deputy Prime Ministers, five Ministers, ten Vice Ministers and 120 businesspersons (at last count), will be one of Vietnam's largest ever. The Vietnamese have also reminded us on several occasions about the importance of the visit's optics, noting that the Vietnamese people will judge the state of bilateral ties based on the reception the Prime Minister receives. Reflective of the importance the GVN attaches to this event, in an effort to "clear the decks" beforehand and

to create the most positive atmosphere possible, GVN leadership has given the nod to try to conclude a number of government-to-government agreements, covering agriculture, maritime transportation, economic cooperation, scientific assistance, adoptions and military education and training. On the commercial front, Vietnam Airlines recently agreed to purchase four 787 aircraft and will issue insurance licenses to New York Life and ACE, success stories that will be highlighted at a Department of Commerce event. A number of other commercial deals have recently been concluded or are in train.

14. (C) The decision to schedule the Prime Minister's visit was a "high-level political one," according to our interlocutors. In fact, the Prime Minister himself reviewed the draft joint statement and attached his handwritten comments. One of the reasons for this visit's importance is how it plays into Vietnam's political calendar. In the run-up to the Communist Party's quinquennial Congress in 2006 - the main theme of which is an evaluation of 20 years of Vietnam's "doi moi" (renewal) policy) the most important debate will be between those who favor increasing the pace and scope of openness and reform and those who would slow down the process. Supporters of strengthened relations with the United States (and who are wary of China's rise) are more or less in the former camp, and those who prefer to cast Vietnam's lot with China) and are suspicious of U.S. intentions - are generally in the latter. How the Prime Minister's U.S. visit is evaluated back home will no doubt be a factor in Party debate and discussions and will strengthen

the hands of some, while weakening others.

15. (C) Furthermore, Khai's visit is the capstone to a five-year process of improving relations with the United States based on a reformist-driven foreign policy decision laid out in the last Party Congress and subsequent Plenums. There is a growing conviction in some circles that, in addition to being a vital source of financial and technical assistance and a huge market for Vietnamese goods, the United States represents an important force in the maintenance of a stable Asian geopolitical environment in which even "small" countries like Vietnam are assured their independence and freedom of action. Finally, the visit is designed to reciprocate President Clinton's 2000 visit to Vietnam and to set the stage for a bilateral visit by President Bush in connection with the 2006 APEC summit in Hanoi.

WTO/Economic Themes

16. (C) At the top of Vietnam's foreign policy agenda is its desire to accede to the WTO. As in China, the Vietnamese Communist Party's governing contract with the Vietnamese people obligates it to deliver continued rapid growth and economic opportunity. The Party has determined that regional and international economic integration is an essential step for Vietnam's economic development, and WTO entry is the top manifestation of that. Senior leaders in the Party and the Government will be evaluated by the Party Congress in terms of whether they have met Vietnam's WTO goals.

17. (C) The GVN has committed to extremely ambitious national economic policy changes to accommodate the demands of its bilateral WTO negotiation partners; implementing those changes will require significant work in drafting and passing new legislation. However, Vietnam is running out of time to make these necessary legislative changes, and the high-powered team it is sending to Washington this week to &be available8 during the next round of bilateral talks) including five Vice Ministers and Deputy Prime Minister Vu Khoan) reflects the seriousness with which Hanoi views this issue.

18. (C) Our Vietnamese interlocutors often note that U.S. investment in Vietnam is "too low" and not "meeting the potential of the bilateral economic relationship," and the Prime Minister probably will make this point. Although the level of investment appears low, in reality it is three times higher because the GVN's figures do not reflect investment funneled through third countries. That said, the level of U.S. investment is still relatively low. In large measure, this is because many American investors are waiting to see how Vietnam's economic reform efforts play out, whether the Bilateral Trade Agreement is respected by both sides and to what extent Vietnam's WTO aspirations move forward to create conditions more attractive for foreign investors. A point we often underline is that, because Vietnam is competing with its neighbors for U.S. investment dollars, it has to create an economic environment in which corruption is stamped out, rule of law is the order of the day and transparency can be relied on.

Increasing Overlap of National Interests: China...

9. (C) In addition to Vietnam's economic and trade agenda, the recognition by Vietnam's leadership that our two countries increasingly share a number of regional and global interests is also spurring on bilateral ties. First among these is the shared interest in ensuring that China rises peacefully and is not allowed to dominate the region or regional organizations. Although the subject of China may not come up directly, the Prime Minister will likely note that Vietnam welcomes the role of the United States in the region and urge us to strengthen our relations with ASEAN. Despite recent efforts to patch relations, Vietnam's relationship with China has seen better days, and this may provide us with an opening to suggest expanding and elevating our bilateral dialogue to discuss issues of mutual concern.

...Counterterrorism and Law Enforcement...

10. (C) The Prime Minister may refer to our two countries' shared interest in combating terrorism, narcotics, trafficking-in-persons and international organized crime. Although we are pursuing modest efforts in these areas, they are nowhere close to meeting their potential. The reluctance of security and other officials suspicious of U.S. intentions has stymied our attempts to pursue operational law enforcement cooperation and more effective information

exchanges. It would be useful to underline the importance the United States also attaches to these issues, while stressing that the promise of our cooperative efforts at the operational level remains largely unfulfilled.

...HIV/AIDS, Avian Influenza and Humanitarian Assistance

11. (C) Our cooperative efforts in the fight against HIV/AIDS represent a success story that we never hesitate to highlight. Since the June 2004 Presidential designation of Vietnam as the fifteenth focus country in his Emergency Plan for AIDS Relief, U.S. Emergency Plan funding for Vietnam has sought to build a sustainable, comprehensive national HIV/AIDS control program based on the Vietnam National Strategy and with a focus in the areas of HIV prevention, care and treatment.

12. (C) We have repeatedly urged the GVN to address a problem of lack of capacity in the Ministry of Health (MoH) and its lack of authority to manage adequately the national HIV/AIDS program. We believe that overall responsibility should be vested in an inter-ministerial coordinating body, with representatives from the Labor, Public Security and Defense Ministries, and with clear lines of authority from the central government. Similarly MoH management and capacity problems hinder rapid GVN preparations for a possible Avian Influenza (AI) pandemic in Vietnam. This detracts from excellent performances by many elements in the MoH and Ministry of Agriculture and Rural Development (MARD).

Outstanding Issues: Religious Freedom...

13. (C) In the area of religious freedom, the Prime Minister's Instruction on Protestantism, the implementing Decree for the Ordinance on Religion and the decision to release a number of high-profile religious and political prisoners represent welcome and substantial progress. These actions, and our two countries' recent religious freedom agreement, represent good progress in responding to our need to see Vietnam: ban forced renunciations and punish those who violate this; re-open shuttered churches; release religious prisoners; and ensure that religious believers are allowed to practice their faith in peace.

14. (C) One of the driving forces behind recent improvements in the religious freedom situation was the desire to remove a potential obstacle to arranging the PM's visit. Indeed, the Prime Minister probably would prefer that the issue not come up at all save to win approval of the steps Vietnam has taken so far and be told that Vietnam is well on the path to being removed from the list of Countries of Particular Concern. While it is worth noting that the USG welcomes the steps Vietnam has taken to date, we nonetheless need to see effective, consistent implementation of Vietnam's new religious freedom-related laws and regulations, particularly in traditionally problematic regions such as the Central and Northwest Highlands.

...Human Rights and Democracy...

15. (C) Vietnam is without question a freer and more open society than it was as few as five years ago. People are now more or less free to choose the kind of life they would like for themselves, including where to live, what kind of job to take and what kind of lifestyle to lead. The press and the National Assembly are also increasingly able to take on

formerly sensitive subjects, such as corruption, fraud and bad policymaking. Modest efforts are also underway to devolve power away from the central government and increase public accountability, particularly in budget decisions at lowest levels of local administration.

116. (C) However, Vietnam is still an authoritarian, one-party State in which criticism of the Communist Party and the "system" is not tolerated, and efforts to challenge the Communist Party's rule are dealt with severely. While a number of political and religious prisoners have been freed over the past several months, dozens remain in prison. Although Vietnam has shown a willingness to address specific issues of concern to us) and has agreed in principle to restarting our Human Rights Dialogue) in the short- to medium-term, there are no prospects for fundamental changes in one-Party, authoritarian rule.

...Central Highlands...

117. (C) A continuing source of friction in our ties is the

Central Highlands. A volatile historical mix of ethnic divisions, separatist aspirations, economic disparity and a rapid growth in the number of Protestant faithful has led the GVN to pursue policies that have swung between promoting social and economic development and cracking down harshly on religious and other "unauthorized gatherings." Organizations and individuals exist inside and outside of Vietnam that seek a separate state for certain ethnic minority groups. Clashes between ethnic minorities and security forces in 2001 and 2004 offered proof to the Vietnamese authorities that a separatist movement is a threat; these clashes also proved for those critical of the regime that Vietnam is a harsh oppressor of religious believers and ethnic minorities.

118. (C) Neither side is completely right or wrong. The GVN has expressed gratitude for our assurances that the United States supports the territorial integrity of Vietnam and condemns violent opposition to the GVN, a point that is included in the draft joint statement. Convincing the GVN) particularly its more conservative elements in the Party, the MPS, and the Army) that the United States represents no threat to Vietnam's sovereignty or territorial integrity has been crucial in developing the concept of shared global and regional interests. We continue to stress to the GVN that problems in the Central Highlands attract international attention and must be handled with maximum care. We also make the point that pursuing equitable social and economic development policies towards ethnic minority populations and allowing international organizations to verify improving conditions is essential to dispel the impression that the GVN is engaged in repression in the Central Highlands.

119. (C) Of immediate concern to us is our "follow-to-join" program for the family members of ethnic minority refugees whom we resettled in the United States. A number of family members continue to face harassment and cannot receive or even apply for passports and our repeated efforts to deal with this issue at the local and central Government levels have been disappointing. A related concern is for the fate of ethnic minorities who voluntarily returned to Vietnam after crossing illegally into Cambodia. A UNHCR representative has been able to travel to the region to look into the situation facing the returnees, but we need to see more regularized access and monitoring.

...and Agent Orange

120. (C) The Prime Minister may raise "legacies of the war," code for Agent Orange (AO). In fact, the GVN hopes to include a reference to this issue in the draft joint statement currently being worked by our two sides. AO has long been a contentious issue in our bilateral relations, with intense media attention in the past few months in reaction to the dismissed lawsuit against Dow Chemical and other manufacturers by the Vietnamese Association for Victims of Agent Orange. In February, the U.S. National Institute for Environmental Health Studies announced it would cancel a joint project to study the effects of Agent Orange/dioxin due to the lack of cooperation from the GVN. You may wish to emphasize that further research is needed to get to the scientific truth of this issue, and that the USG has provided \$35 million worth of assistance to the disabled in Vietnam since 1991, regardless of the cause.

Fullest Possible Accounting

121. (C) We continue to have good cooperation with the Vietnamese in the fullest possible accounting of our personnel missing from the war. During Assistant Secretary of Defense Peter Rodman's June 7-8 visit to Hanoi, the Vietnamese pledged to address four issues of concern for us,

namely access to the Central Highlands for investigation and recovery operations, underwater recovery operations, better archival access and more unilateral efforts by Vietnam. These are positive steps worth noting, but we will need to see follow-through in the months ahead.

122. (C) To sum up, this historic visit offers us the opportunity to strengthen the foundation of our bilateral relationship by confirming our shared interests in relevant regional and global issues, reassuring the Vietnamese about their highest priority issues and expressing at the highest level our thoughts on remaining issues of concern between the United States and Vietnam.
Marine

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